



Service Center

U.S. Department of Agriculture

Fresno County

FSA Office

4625 W Jennifer Street
Suite 109
Fresno, CA 93722
559-276-7494 (phone)
559-276-1791 (fax)

Hours

Monday - Friday
7:30 a.m. - 4:30 p.m.

Loan Manager

Tom Roberts, FLM

Guaranteed Loan Specialist

Sue Gribben

Farm Loan Staff

Phoua Yang, P.T.

Farm Program Staff

Mildred Jones, P.T.
Bee Payne, P.T.
Christy Villas, P.T.
Joanne Gomez, P.T.
Wanda Medina P.T.
Marie Percy, P.T.
Chris San Nicolas, P.T.
Robert Martinez, P.T.
Nangpay Vang, P.T.
Jon Klassen, P.T.
Annie Lee, P.T.
Sean Gallaher, P.T.
Brianna Wilkenson &
Darci Culler,
CSUF Interns

County Committee

Tad Kozuki, Chairman
Keith Freitas
Jean Errotabere

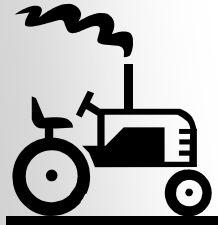
Committee Advisors

Kuldip "Cal" Kaleka
Will Scott Jr.

COUNTY COMMITTEE
MEETS ON THE SECOND
THURSDAY OF EACH
MONTH

Executive Director

Russ L. Friend



Farm Service Agency

FSA UPDATES

September
2006

2006 DIRECT AND COUNTER-CYCLIC PROGRAM (DCP) SIGNUP

Late sign-up deadline for 2006 DCP is September 29, 2006. **Farms enrolled after the June 1, 2006 deadline are subject to a \$100 per-farm late fee.** Producers involved with this program must signup every year to receive payment. Call now to make your appointment.

PAYMENT LIMITS

The following programs are subject to the following payment limits

- Direct Payments (DCP) - \$40,000 per "person"
- Counter-Cyclic Payments (DCP) - \$65,000 per "person"
- Loan Deficiency Payments (LDP) - \$75,000 per "person"
- Non Insured Crop Disaster Assistance Program (NAP) - \$100,000 per "person"
- MILCX - 2.4 million pounds of milk per fiscal year (October - September)

ADJUSTED GROSS INCOME REQUIREMENTS

The 2002-2007 Farm Bill included average adjusted gross income as a payment eligibility requirement. Any individual or entity requesting certain 2003 through 2007 program payments will be subject to this provision. Any individual or entity that is determined to have an average adjusted gross income, as defined, that is less than 75% from farming, ranching or forestry operation and that exceeds \$2.5 million will be ineligible for any covered benefit during the applicable year. Producers are required to file form CCC-526 certifying that they meet the income requirements.

FSA END OF YEAR REVIEWS

All CCC-501s (Members Information), and CCC-502s (Farm Operating Plan for Payment Eligibility Review), are subject to spot check through our end-of-year review process. If selected for an end of year review, producers will be asked to submit proof of their contribution to the operation such as seed, fertilizer and chemical bills, land lease agreements, land contracts or property tax payments, equipment lists, cancelled checks for paid labor or hired management, IRS tax forms and any other items the FSA County Committee determine are necessary.

The producer is required to provide these items for the spot check so that the FSA county committee can make a determination that the farming operation is actually being performed as was stated on the applicable CCC-501 or CCC-502 that was originally completed.

SECURITY GUIDELINES

The U.S. Department of Agriculture has released a booklet entitled "Pre-Harvest Security Guidelines and Checklist 2006" to help agricultural producers enhance security at the farm level. The booklet contains practical measures help to protect against natural disasters, as well as the unintentional or intentional introduction of plant or animal diseases. To get a copy, stop by the county office. More information is available at <http://www.usda.gov/homelandsecurity>.



THE NON-INSURED CROP DISASTER ASSISTANCE PROGRAM (NAP)

NAP coverage is similar to that provided by Catastrophic Risk Protection Plan (CAT) insurance and is available for commercial crops or agricultural commodities produced for food or fiber for which CAT is not available. NAP coverage is not available for livestock. NAP kicks in when natural disasters result in a catastrophic loss of production or prevented planting of an eligible crop.

Producers who already have coverage on 2006 NAP crops may choose to continue coverage on the same crops for 2007, if the applicable service fee is paid by the application closing date. A new CCC-471, application for coverage, is not required to be signed when applying for continuous coverage of the same crop or crops. The service fee is \$100 per crop with a \$300 maximum fee.

Producers who choose to add or delete a crop from previous year's coverage or change crop shares must file a new CCC-471, with signatures, and pay the service fee.

Producers with 2006 NAP coverage must remember to complete the following to qualify for benefits:

- Timely file acreage reports and keep track of harvested production using acceptable methods. For example, packing house packing records, cash sale records, farmer's market sales records, etc.
- File a Notice of Loss within 15 days of the disaster occurrence or when the loss is apparent.

| Crop year 2007 | Application Closing Date |
|---|--------------------------|
| Multi Planting - Green Beans | 8/1/2006 |
| All other annuals | 3/1/2007 |
| Almonds, Apples, Asparagus, Avocados, Caneberries, Cherries, Kiwi, Mint, Nectarines, Olives, Peach Pears, Persimmon, Pistachios, Plums, Pomegranate, Rye Grain, Walnuts | 12/15/2006 |
| Onions, Honey | 12/1/2006 |
| Fall planted Seed Crops | 8/1/2006 |
| Forage Crops | 9/1/2006 |
| Value Loss and Controlled Environment Crops. | 9/1/2006 |

MILCX RATES

USDA announced the following 2006 MILCX rates:

October - \$0.00/CWT
 November - \$0.00/CWT
 December - \$0.0408/CWT
 January - \$0.1054/CWT
 February - \$0.1054/CWT
 March - \$0.4080/CWT
 April - \$0.8398/ CWT
 May - \$0.9248/ CWT
 June - \$0.9996/CWT
 July - \$0.7990/CWT
 August - \$0.9248
 September - \$0.9656



Dairy producers who have a MILCX contract are reminded that if you wish to change the start month on your contract you must do so prior to 15 days before the beginning of the month you wish to start on. Please contact this office if you have any questions.

CCC-633 EZ LDP FORM

Don't forget that the Farm Service Agency rolled out a new, streamlined process for requesting loan deficiency payments (LDPs) last August. The CCC-633 EZ is a combination of the original CCC-633 and the old, and now abandoned, CCC-709.

By signing the first page of the 633EZ form, producers indicate their intentions to receive LDP benefits. This one page covers all counties and all eligible harvested commodities for the entire crop year for the individual, joint operation or entity identified on the form.

One thing that hasn't changed is the requirement that the form must be signed before beneficial interest in the crop is lost. Once page 1 of the EZ form has been signed, the producer can submit an LDP request by completing page 2 at any time during the loan availability period — before or after losing beneficial interest.

Beginning with the 2006 crop year, CCC-633 EZ and eLDP online requests will be the only methods available to request LDPs.

Contact Chris or Jon at the Fresno FSA office if you have any questions

FSA SIGNATURE AUTHORITY

Proper signatures on Farm Service Agency contracts, applications and forms must be submitted before the document will be considered as filed. All entities, including revocable and irrevocable trusts, corporations, partnerships, estates, etc., must provide evidence of signature authority stipulating those individuals who are authorized to represent the entity. FSA cannot accept signatures without such documentation on file.

FARM RECONSTITUTION

FSA requires a farm reconstitution when:

- there has been a change in operators
- there has been an improper constitution
- the farm was constituted based upon false information
- the land is no longer operated as a farm
- the owner makes a request for reconstitution

The methods and order of farm division that FSA uses are Estate, Designation by Landowner, DCP cropland and Default.

Definition of Estate Method

[7 CFR Part 718.205] The estate method is the division of bases for a parent farm among heirs in settling an estate. A copy of the will or an agreement signed by all the heirs as to the division of bases is required.

Definition of Designation by Landowner Method

[7 CFR Part 718.205] The designation by landowner method is the division of bases in the manner agreed to by the parent farm owner and purchaser or transferee.

When This Method May Be Used

The designation by landowner method may be used when any of the following apply:

- part of a farm is sold or ownership is transferred
- an entire farm is sold to 2 or more persons
- farm ownership is transferred to 2 or more persons
- part of a tract is sold or ownership is transferred
- a tract is sold to 2 or more persons
- tract ownership is transferred to 2 or more persons.

Eligibility Requirements

All of the requirements in this table must be met to use the designation by landowner method.

| Description | Requirement |
|-----------------------------------|--|
| 3-Year Ownership | The land sold or transferred must have been owned for at least 3 years. |
| Memorandum Of Understanding (MOU) | The owner of the parent farm and the purchaser or transferee shall file a signed MOU designating bases before either of the following occurs: <ul style="list-style-type: none">• the farm is reconstituted; that is, COC or designee signs the COC report• any subsequent transfer of ownership. Note: A deed is not an MOU |

Definition of DCP Cropland Method

[7 CFR Part 718.205] The DCP cropland method is the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract.

This method may be used when the County Committee determines that the Estate or Landowner Method does not apply.

A Definition of Default Method

The default method is the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

This method may be used when the County Committee determines that the Estate or Landowner Method does not apply.

SPOUSAL SIGNATURES

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.



Fresno County Farm Service Agency
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Suite 109
Fresno, CA 93722-6424

Important information enclosed about USDA farm programs.

| Important Dates and Deadlines | |
|---|---|
| September 29 | Final day to enroll farms and meet all program requirements in the 2006 Direct and Counter-Cyclic Program |
| Various Dates | NAP application deadlines. See page 2 for details |
| NAP Crop Damage Report | No later than 15 days from date of damaging weather occurrence |
| December 4, 2006 | Final date to return County Committee Election Ballots |
| FSA Office Closures | |
| October 9, 2006 November 10, 2006 November 23, 2006 December 25, 2006 January 1, 2007 | Columbus Day Veterans Day Thanksgiving Day Christmas Day New Years Day |

DIRECT DEPOSIT OF PAYMENTS IS MANDATORY

As of January 1999, all payments issued by the county FSA office will be by direct deposit (electronic funds transfer) to a pre-designated checking or savings account with your financial institution. Forms are available at the FSA office to sign up for direct deposit if you haven't yet. **For those already signed up, it is extremely important that we are notified anytime there is a change in your account number or financial institution.** If we are not notified, future payments can be delayed or lost for a period of time.

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from public assistance programs. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (Braille, large print, audio tape, etc.) should contact the USDA's Target Center at 202-720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.